

**First Extraordinary Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 25B-0017.01 Josh Schultz x5486

SENATE BILL 25B-004

SENATE SPONSORSHIP

Rodriguez, Baisley, Ball, Coleman, Exum, Frizell, Gonzales J., Kirkmeyer, Marchman,
Pelton B., Simpson, Snyder

HOUSE SPONSORSHIP

Bacon,

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Business, Labor, & Technology
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Appropriations

A BILL FOR AN ACT

101 **CONCERNING MEASURES EFFECTIVE NO LATER THAN JUNE 30, 2026, TO**
102 **INCREASE TRANSPARENCY FOR ALGORITHMIC SYSTEMS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

In 2024, the general assembly enacted Senate Bill 24-205, which created consumer protections in interactions with artificial intelligence systems (provisions). The bill eliminates these provisions and:

- Defines "algorithmic decision system" (system) to mean any machine-based system or computational process that uses statistical modeling, data analytics, artificial

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
August 25, 2025

SENATE
Amended 3rd Reading
August 25, 2025

SENATE
Amended 2nd Reading
August 24, 2025

intelligence, or machine learning to generate a simplified output or is capable, for a given set of human-defined objectives, of making predictions or recommendations and is used to assist, inform, or replace human decision-making;

- Requires a developer of a system to, on and after February 1, 2026, provide certain disclosures to a deployer of the system;
- Requires a deployer of a system to, on and after February 1, 2026, provide certain disclosures to an individual who is or will be affected by a decision made, informed, or influenced by a system and provide the individual with a procedure to correct the accuracy of data that was used by the system;
- Provides that a developer and deployer of a system are jointly and severally liable for a violation of any law that results from the deployer's use of the developer's system;
- Requires a person that makes available a generative artificial intelligence system to disclose to an individual interacting with the generative artificial intelligence system that the individual is interacting with a generative artificial intelligence system;
- Clarifies that a violation of the bill's requirements is an unfair or deceptive trade practice under the "Colorado Consumer Protection Act"; and
- Permits the attorney general to adopt rules implementing the provisions of the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. In Colorado Revised Statutes, 6-1-1702, amend (1),**
3 **(2) introductory portion, (3)(a), (4)(a) introductory portion, (5)**
4 **introductory portion, and (7) as follows:**

5 **6-1-1702. Developer duty to avoid algorithmic discrimination**
6 **- required documentation. (1) On and after February 1, 2026 JUNE 30,**
7 **2026, a developer of a high-risk artificial intelligence system shall use**
8 **reasonable care to protect consumers from any known or reasonably**
9 **foreseeable risks of algorithmic discrimination arising from the intended**
10 **and contracted uses of the high-risk artificial intelligence system. In any**

1 enforcement action brought on or after ~~February 1, 2026~~ JUNE 30, 2026,
2 by the attorney general pursuant to section 6-1-1706, there is a rebuttable
3 presumption that a developer used reasonable care as required under this
4 section if the developer complied with this section and any additional
5 requirements or obligations as set forth in rules ~~promulgated~~ ADOPTED by
6 the attorney general pursuant to section 6-1-1707.

7 (2) On and after ~~February 1, 2026~~ JUNE 30, 2026, and except as
8 provided in subsection (6) of this section, a developer of a high-risk
9 artificial intelligence system shall make available to the deployer or other
10 developer of the high-risk artificial intelligence system:

11 (3) (a) Except as provided in subsection (6) of this section, a
12 developer that offers, sells, leases, licenses, gives, or otherwise makes
13 available to a deployer or other developer a high-risk artificial
14 intelligence system on or after ~~February 1, 2026~~ JUNE 30, 2026, shall
15 make available to the deployer or other developer, to the extent feasible,
16 the documentation and information, through artifacts such as model cards,
17 dataset cards, or other impact assessments, necessary for a deployer, or
18 for a third party contracted by a deployer, to complete an impact
19 assessment pursuant to section 6-1-1703 (3).

20 (4) (a) On and after ~~February 1, 2026~~ JUNE 30, 2026, a developer
21 shall make available, in a manner that is clear and readily available on the
22 developer's website or in a public use case inventory, a statement
23 summarizing:

24 (5) On and after ~~February 1, 2026~~ JUNE 30, 2026, a developer of
25 a high-risk artificial intelligence system shall disclose to the attorney
26 general, in a form and manner prescribed by the attorney general, and to
27 all known deployers or other developers of the high-risk artificial

1 intelligence system, any known or reasonably foreseeable risks of
2 algorithmic discrimination arising from the intended uses of the high-risk
3 artificial intelligence system without unreasonable delay but no later than
4 ninety days after the date on which:

5 (7) On and after February 1, 2026 JUNE 30, 2026, the attorney
6 general may require that a developer disclose to the attorney general, no
7 later than ninety days after the request and in a form and manner
8 prescribed by the attorney general, the statement or documentation
9 described in subsection (2) of this section. The attorney general may
10 evaluate such statement or documentation to ensure compliance with this
11 part 17, and the statement or documentation is not subject to disclosure
12 under the "Colorado Open Records Act", part 2 of article 72 of title 24.
13 In a disclosure MADE pursuant to this subsection (7), a developer may
14 designate the statement or documentation as including proprietary
15 information or a trade secret. To the extent that any information contained
16 in the statement or documentation includes information subject to
17 attorney-client privilege or work-product protection, the disclosure does
18 not constitute a waiver of the privilege or protection.

19 **SECTION 2.** In Colorado Revised Statutes, 6-1-1703, **amend** (1),
20 (2)(a) introductory portion, (3)(a), (3)(c), (3)(g), (4)(a) introductory
21 portion, (4)(b) introductory portion, (5)(a) introductory portion, (7), and
22 (9) as follows:

23 **6-1-1703. Deployer duty to avoid algorithmic discrimination**
24 **- risk management policy and program.** (1) On and after February 1,
25 2026 JUNE 30, 2026, a deployer of a high-risk artificial intelligence
26 system shall use reasonable care to protect consumers from any known or
27 reasonably foreseeable risks of algorithmic discrimination. In any

1 enforcement action brought on or after ~~February 1, 2026~~ JUNE 30, 2026,
2 by the attorney general pursuant to section 6-1-1706, there is a rebuttable
3 presumption that a deployer of a high-risk artificial intelligence system
4 used reasonable care as required under this section if the deployer
5 complied with this section and any additional requirements or obligations
6 as set forth in rules ~~promulgated~~ ADOPTED by the attorney general
7 pursuant to section 6-1-1707.

8 (2) (a) On and after ~~February 1, 2026~~ JUNE 30, 2026, and except
9 as provided in subsection (6) of this section, a deployer of a high-risk
10 artificial intelligence system shall implement a risk management policy
11 and program to govern the deployer's deployment of the high-risk
12 artificial intelligence system. The risk management policy and program
13 must specify and incorporate the principles, processes, and personnel that
14 the deployer uses to identify, document, and mitigate known or
15 reasonably foreseeable risks of algorithmic discrimination. The risk
16 management policy and program must be an iterative process planned,
17 implemented, and regularly and systematically reviewed and updated over
18 the life cycle of a high-risk artificial intelligence system, requiring
19 regular, systematic review and updates. A risk management policy and
20 program implemented and maintained pursuant to this subsection (2) must
21 be reasonable considering:

22 (3) (a) Except as provided in subsections (3)(d), (3)(e), and (6) of
23 this section:

24 (I) A deployer, or a third party contracted by the deployer, that
25 deploys a high-risk artificial intelligence system on or after ~~February 1,~~
26 2026 JUNE 30, 2026, shall complete an impact assessment for the
27 high-risk artificial intelligence system; and

1 (II) On and after February 1, 2026 JUNE 30, 2026, a deployer, or
2 a third party contracted by the deployer, shall complete an impact
3 assessment for a deployed high-risk artificial intelligence system at least
4 annually and within ninety days after any intentional and substantial
5 modification to the high-risk artificial intelligence system is made
6 available.

7 (c) In addition to the information required under subsection (3)(b)
8 of this section, an impact assessment completed pursuant to this
9 subsection (3) following an intentional and substantial modification to a
10 high-risk artificial intelligence system on or after February 1, 2026 JUNE
11 30, 2026, must include a statement disclosing the extent to which the
12 high-risk artificial intelligence system was used in a manner that was
13 consistent with, or varied from, the developer's intended uses of the
14 high-risk artificial intelligence system.

15 (g) On or before February 1, 2026 JUNE 30, 2026, and at least
16 annually thereafter, a deployer, or a third party contracted by the deployer,
17 must review the deployment of each high-risk artificial intelligence
18 system deployed by the deployer to ensure that the high-risk artificial
19 intelligence system is not causing algorithmic discrimination.

20 (4) (a) On and after February 1, 2026 JUNE 30, 2026, and no later
21 than the time that a deployer deploys a high-risk artificial intelligence
22 system to make, or be a substantial factor in making, a consequential
23 decision concerning a consumer, the deployer shall:

24 (b) On and after February 1, 2026 JUNE 30, 2026, a deployer that
25 has deployed a high-risk artificial intelligence system to make, or be a
26 substantial factor in making, a consequential decision concerning a
27 consumer shall, if the consequential decision is adverse to the consumer,

1 provide to the consumer:

2 (5) (a) On and after February 1, 2026 JUNE 30, 2026, and except
3 as provided in subsection (6) of this section, a deployer shall make
4 available, in a manner that is clear and readily available on the deployer's
5 website, a statement summarizing:

6 (7) If a deployer deploys a high-risk artificial intelligence system
7 on or after February 1, 2026 JUNE 30, 2026, and subsequently discovers
8 that the high-risk artificial intelligence system has caused algorithmic
9 discrimination, the deployer, without unreasonable delay, but no later than
10 ninety days after the date of the discovery, shall send to the attorney
11 general, in a form and manner prescribed by the attorney general, a notice
12 disclosing the discovery.

13 (9) On and after February 1, 2026 JUNE 30, 2026, the attorney
14 general may require that a deployer, or a third party contracted by the
15 deployer, disclose to the attorney general, no later than ninety days after
16 the request and in a form and manner prescribed by the attorney general,
17 the risk management policy implemented pursuant to subsection (2) of
18 this section, the impact assessment completed pursuant to subsection (3)
19 of this section, or the records maintained pursuant to subsection (3)(f) of
20 this section. The attorney general may evaluate the risk management
21 policy, impact assessment, or records to ensure compliance with this part
22 17, and the risk management policy, impact assessment, and records are
23 not subject to disclosure under the "Colorado Open Records Act", part 2
24 of article 72 of title 24. In a disclosure MADE pursuant to this subsection
25 (9), a deployer may designate the statement or documentation as including
26 proprietary information or a trade secret. To the extent that any
27 information contained in the risk management policy, impact assessment,

1 or records includes information subject to attorney-client privilege or
2 work-product protection, the disclosure does not constitute a waiver of
3 the privilege or protection.

4 **SECTION 3. In Colorado Revised Statutes, 6-1-1704, amend (1)**
5 **as follows:**

6 **6-1-1704. Disclosure of an artificial intelligence system to**
7 **consumer. (1) On and after February 1, 2026 JUNE 30, 2026, and except**
8 **as provided in subsection (2) of this section, a deployer or other developer**
9 **that deploys, offers, sells, leases, licenses, gives, or otherwise makes**
10 **available an artificial intelligence system that is intended to interact with**
11 **consumers shall ensure the disclosure to each consumer who interacts**
12 **with the artificial intelligence system that the consumer is interacting with**
13 **an artificial intelligence system.**

14 **SECTION 4. Act subject to petition - effective date. This act**
15 **takes effect at 12:01 a.m. on the day following the expiration of the**
16 **ninety-day period after final adjournment of the general assembly; except**
17 **that, if a referendum petition is filed pursuant to section 1 (3) of article V**
18 **of the state constitution against this act or an item, section, or part of this**
19 **act within such period, then the act, item, section, or part will not take**
20 **effect unless approved by the people at the general election to be held in**
21 **November 2026 and, in such case, will take effect on the date of the**
22 **official declaration of the vote thereon by the governor.**